

Message Text

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ACTION EUR-25

INFO OCT-01 EA-11 NEA-10 IO-12 ADP-00 EURE-00 INRE-00

AID-20 CEA-02 CIAE-00 COME-00 EB-11 FRB-02 INR-09

NSAE-00 RSC-01 OPIC-12 TRSE-00 CIEP-02 LAB-06 SIL-01

SAL-01 OMB-01 SSO-00 CCO-00 STR-08 PA-03 PRS-01

USIA-12 L-03 H-02 NSC-10 RSR-01 /167 W

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P R 191146 Z MAR 73 ZFF-4

FM USMISSION OECD PARIS

TO SECSTATE WASHDC PRIORITY 9079

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

USMISSION EC BRUSSELS UNN

USMISSION USUN NEWYORK

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

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UNCLAS SECTION 1 OF 2 OECD PARIS 6700

ECOTO 08

E. O. 11652: N/ A

TAGS: OVIP (WILLIAM J. CASEY). EGEN, OECD

SUBJECT: OECD EXECUTIVE COMMITTEE NEW STYLES (XCNS): OPENING
STATEMENT BY UNDERSECRETARY CASEY, MARCH 19.

1. FOLLOWING IS TEXT OF PREPARED STATEMENT DELIVERED BY UNDER-
SECRETARY WILLIAM J. CASEY TO OPENING SESSION:

MR. CHAIRMAN:

I AM VERY PLEASED TO MEET WITH ALL OF YOU AND TO REPRESENT THE
UNITED STATES AT THIS MEETING OF THE EXECUTIVE COMMITTEE IN
SPECIAL SESSION. I HAVE ADMIRERD THE WORK AND ACCOMPLISHMENT OF
THE OECD AND ITS PREDECESSOR ORGANIZATION FOR SOME TIME, 25
YEARS TO BE PRECISE. AT THAT TIME, BACK IN 1948, I WAS HERE TO
WORK ON THE LAUNCHING OF THE MARSHALL PLAN AND I REMEMBER HOW
BRILLIANTLY THE THEN INFANT OEEC PERFORMED IN DEVELOPING GUIDELINES
FOR THE ALLOCATION OF FUNDS, IN WORKING OUT THE SYSTEM OF
THE CONCEPT OF THE EUROPEAN PAYMENTS UNION. OVER THE LAST TWO
YEARS IN MY CAPACITY OF CHAIRMAN OF OUR SECURITIES AND EXCHANGE
COMMISSION I HAVE BEEN INVOLVED IN THE WORK OF THE OECD IN
PROMULGATING INTERNATIONAL STANDARDS FOR INVESTMENT COMPANIES
AND COMMON STANDARDS FOR STOCK EXCHANGE LISTING.

THIS ORGANIZATION HAS PLAYED A VITAL ROLE IN THE SYSTEM OF INTERN-
NATIONAL COOPERATION WHICH TOGETHER WE HAVE CREATED SINCE THE
END OF THE SECOND WORLD WAR. THE UNITED STATES GOVERNMENT CONTINUES
TO LOOK TO THE OECD AS A PILLAR OF THE SYSTEM OF INTENSIFIED
INTERNATIONAL ECONOMIC COOPERATION WHICH IS SO URGENTLY NEEDED
TODAY TO DEAL EFFECTIVELY WITH MATTERS OF DOMESTIC ECONOMIC
POLICY, MONEY AND TRADE, INVESTMENT AND DEVELOPMENT.

WE HAVE JUST WITNESSED A SERIES OF EVENTS IN MONETARY MATTERS
WHICH UNFOLDED WITH DRAMATIC RAPIDITY. THE MOST HEARTENING ASPECT
OF THE RECENT EVENTS IN THE MONETARY REALM IS THAT OUR GOVERNMENTS
DEMONSTRATED CONVINCINGLY THAT WE ALL REMAIN DEDICATED TO THE
PRINCIPLE OF COOPERATION IN OUR INTERNATION ECONOMIC LIFE.
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AND, MR. CHAIRMAN, THIS ORGANIZATION, WHICH HAS ALWAYS INCORPORATED THE WORDS " ECONOMIC COOPERATION" IN ITS NAME HAS LED THE WAY IN DEMONSTRATING THE TECHNIQUES AND MERITS OF ECONOMIC COOPERATION IN ALL ESPECTS OF THE ECONOMIC INTERDEPENDENCE OF OUR COUNTRIES. TODAY IT HAS A VITAL ROLE TO PLAY IN ACHIEVING THE OBJECTIVE DESCRIBED BY PRESIDENT NIXON AS " SETTING IN PLACE AN ECONOMIC STRUCTURE THAT WILL HELP AND NOT HINDER THE WORLD' S HISTORIC MOVEMENT TOWARD PEACE" BY " ACTION ACROSS THE ENTIRE FRONT OF INTERNATIONAL ECONOMIC PROBLEMS."

IT SEEMS TO US THAT THE SPIRIT IN WHICH WE APPROACH THE RE- ORDERING OF THE WORLD' S ECONOMIC STRUCTURE IS CRITICAL. WE HAVE, TOGETHER IN COMMON GREAT AND OVERRIDING POLITICAL AND SECURITY INTERESTS AS WELL AS ECONOMIC INTERESTS. WHATEVER WE DO IN ANY OF THESE SPHERES CAN AFFECT THE ATMOSPHERE AS WELL AS THE VIGOR AND CAPACITY WITH WHICH WE PERFORM IN THE OTHERS. AS WE WORK TOWARD THE RESOLUTION OF THE NEW PROBLEMS THAT ARISE FROM INCREASED ECONOMIC INTERDEPENDENCE AND COMPETITION AMONG NATIONS, WE MUST SEARCH FOR POLICIES THAT ENCOURAGE AND DO NOT BLOCK THE DEVELOPMENT OF THE MOST EFFICIENT METHOLDS OF SERVING OUR INDIVIDUAL AND OUR COMMON NEEDS. WE MUST WORK OUT CONFLICTS AND MAKE APPROPRIATE ADJUSTMENTS IN THE SPIRIT OF A GREAT AND VITAL PARTNERSHIP RISING ABOVE NARROW SELF INTEREST AND SEEKING AGREEMENT AND ACCOMMODATION ON THE BEST WAY TO ENHANCE OUR POLITICAL, OUR SECURITY AND OUR ECONOMIC INTERDEPENDENCE.

IT IS PARTICULARLY REASSURING THAT THE OUTLOOK FOR INTERNATIONAL PAYMENTS WHICH AS WORKING PARTY 3 HAS CONCLUDED, DR. EMMINGER HAS PRESENTED INDICATED THAT THE EXCHANGE RATE REALIGNMENTS THAT HAVE BEEN TAKING PLACE SINCE FEBRUARY 12 WILL, IF ACCOMPANIED BY APPROPRIATE POLICIES, PERMIT US TO MOVE TO A SUSTAINABLE BALANCE OF PAYMENTS EQUILIBRIUM.

THE SECRETARY GENERAL' S DOCUMENT IDENTIFIES A NUMBER OF SUCH MEASURES WHICH GOVERNMENTS COULD TAKE THAT WOULD CONT
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INFO AMEMBASSY ANKARA
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ECOTO 08

E. O. 11652: N/ A

TAGS: OVIP (WILLIAM J. CASEY). EGEN, OECD

SUBJECT: OECD EXECUTIVE COMMITTEE NEW STYLE (XCNS): OPENING
STATEMENT BY UNDERSECRETARY CASEY, MARCH 19.

WE LOOK TO THE PREVIOUSLY SCHEDULED C-20 DISCUSSIONS
NEXT WEEK FOR FORWARD MOTION ON NOMETARY REFORM WHICH IS STILL
CRITICALLY NEEDED OVER THE LONG RUN. WE OF THE UNITED STATES WILL
SHORTLY BE PROPOSING TRADE LEGISLATION TO OUR CONGRESS AND PREPARING
TO PARTICIPATE FULLY IN MULTILATERAL TRADE NEGOTIATIONS SCHEDULED
TO BEGIN IN SEPTEMBER. WORKING TOGETHER OUR COUNTRIES CAN ACHIEVE

CONCRETE RESULTS BENEFICIAL TO ALL OF US BY THE 1975 TARGET DATE
URGED AT LAST OCTOBER'S MEETING OF THE SUMMIT OF THE EUROPEAN
COMMUNITY.

OUR MUTUAL EFFORTS TO QUELL SPECULATIVE PRESSURES AND TO MOVE
TOWARDS PAYMENTS EQUILIBRIUM CALL FOR ALL OF US TO FIGHT INFLATION
WITH UNREMITTING VIGOR. WHILE THE US PRICE AND INCOME
GUIDELINES HAVE ENTERED A MORE FLEXIBLE STAGE, OUR GOVERNMENT HAS
NOT RELAXED ITS COMMITMENT TO HOLD DOWN PRICES AND WAGE INFLATION.
WE HAVE RECENTLY LIMITED OVERALL PRICE INCREASES BY MAJOR COM-
PANIES IN THE PETROLEUM INDUSTRY TO 1-0/0. WE HAVE ANNOUNCED OUR
INTENTION TO DISPOSE OF LARGE QUANTITIES OF METAL AND OTHER
STOCKPILED MATERIAL IN ORDER TO REDUCE PRICE PRESSURES. WE WILL
PUT BACK INTO PRODUCTION 40 MILLION ACRES OF FARM LAND AND SELL
LARGE QUANTITIES
OF STOCKPILED FOOD- STOCKS IN A MOVE TO INCREASE FOOD SUPPLY AND
REDUCE PRICES. OUR PRESIDENT IS ENGAGED IN VIGOROUS EFFORTS TO
KEEP THE LEVEL OF GOVERNMENT SPENDING WITHIN REASONABLE
LIMITS. WE ARE KEEPING AN EYE ON OUR ECONOMIC EXPANSION
AS TO KEEP IT TO A RATE WHICH WE BELIEVE TO BE SUSTAINABLE
OVER THE LONG RUN.

WHAT WE WOULD LIKE TO STRESS IN THIS FORUM AT THIS TIME IS THE
IMPORTANCE OF RECOGNIZING THAT MONEY, TRADE AND INVESTMENT FORM
A SEAMLESS WEB. WE MUST MOVE FORWARD ON ALL THREE FRONTS TO ACHIEVE
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REFORM OF THE INTERNATIONAL MONETARY SYSTEM, GREATER LIBERALIZATION
OF TRADE AND A MORE OPEN, COHERENT FRAMEWORK FOR INTERNATIONAL
INVESTMENT.

THE SECRETARIAT'S PAPER ON THE SUBJECT OF SAFEGUARDS POINTS THE
WAY FOR THIS ORGANIZATION TO DO THE KIND OF SPARKWORK WHICH IT IS
UNIQUELY EQUIPPED TO DO AND WHICH CAN BE OF VITAL IMPORTANCE TO THE
NEW ROUND OF TRADE NEGOTIATIONS TO WHICH OUR COUNTRIES HAVE COMMITTED
THEMSELVES. AT THE PREVIOUS MEETING IN DECEMBER, WE PROPOSED A
STUDY OF POSSIBLE ELEMENTS OF A MULTILATERAL SAFEGUARDS SYSTEM.
SUCH A STUDY CAN BE UNDERTAKEN IN THIS FORUM BY THIS BODY WITHOUT ANY
COMMITMENT BY GOVERNMENTS AND WITH NO ATMOSPHERE OF PRE- NEGOTIATION.

THE NEW INTERNATIONAL ECONOMIC ORDER WHICH WE SEEK FOR THE BENEFIT
OF ALL OF US MUST PUT SOME ORDER INTO THE MYRIAD OF GOVERNMENTAL
POLICIES AND REGULATIONS WHICH HAVE AN INFLUENCE ON INVESTMENT
AND THEREFORE ON A VITAL ASPECT OF INTERNATIONAL ECONOMIC LIFE.
THE MINISTERS AND GOVERNORS LAST FRIDAY REAFFIRMED THEIR ATTACHMENT
TO THE BASIC PRINCIPLE OF THE GREATEST POSSIBLE FREEDOM OF TRADE
AND INVESTMENT AND SAID THEY WOULD USE THE EXISTING ORGANIZATIONS
OF INTERNATIONAL COOPERATION TO MAINTAIN THESE PRINCIPLES. WE
BELIEVE THAT THE OECD CAN AND MUST CLARIFY THOSE ISSUES OF INTER-

NATIONAL INVESTMENT TO WHICH OUR COUNTRIES NEED TO GIVE NEW AND
VIGOROUS ATTENTION AND THEN HELP US EXAMINE WHAT IMPROVEMENTS IT WOULD
BE USEFUL TO MAKE IN THE MACHINERY OF INTERNATIONAL COLLABORATION.

THE UNITED STATES SUPPORTS THE VIEW THAT THE INTERESTS OF THE
DEVELOPING COUNTRIES MUST BE ADEQUATELY CONSIDERED IN THE FORTHCOMING
TRADE AND MONETARY NEGOTIATIONS.

MR. CHAIRMAN, AS WE BEGIN OUR DELIBERATIONS WITH THIS TIMELY AGENDA
ITEM WHICH ENABLES US TO RECALL THE BROAD INTERRELATIONSHIPS WHICH
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